Q3 2022
Earnings Presentation

October 20, 2022

Genuine Parts Company Snapshot

Key Statistics[1]

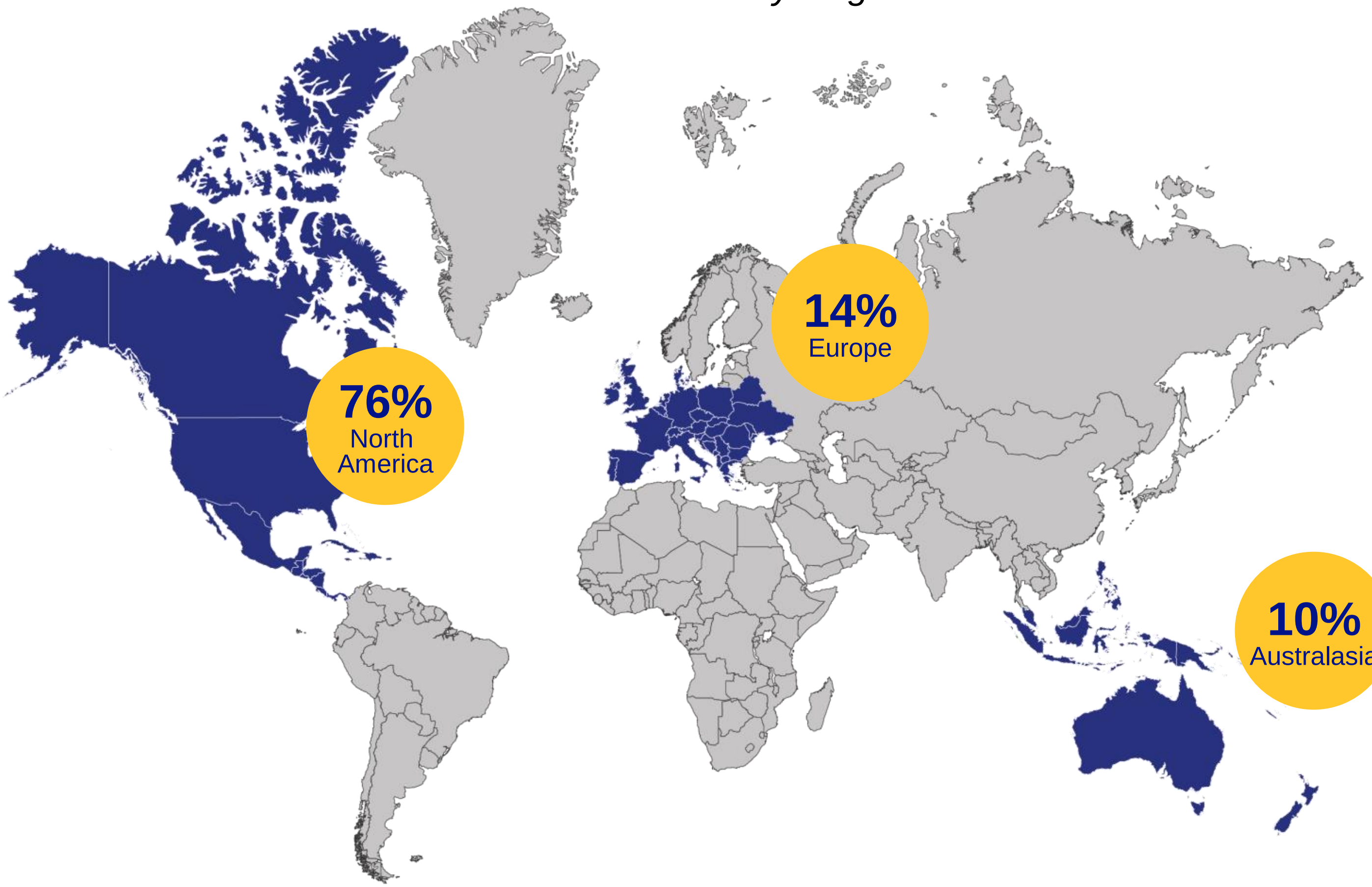
Founded	**1928**
Headquarters	**Atlanta, GA**
Countries Served	**17**
Locations	**~10,585**
• Warehouses	~800
• Distribution Facilities	~200
• Retail (Owned/Independent)	~9,585
Employees	**~53,000**
Market Capitalization	**~$21.0B**

TTM Financial Highlights[1]

Revenue	**$21.4B**
• Automotive	63%
• Industrial	37%
Segment Profit Margin[2]	**9.2%**
Free Cash Flow[3]	**~$1.1B**
Dividend Yield[4]	**2.4%**

Global Footprint

TTM 2022 Revenue by Region[1]



Leading Global Distributor in Diversified End Markets

[1]As of 9/30/22 [2]See Appendix C [3]See Appendix D [4]Calculated based on annual dividend per share divided by share price as of 9/30/22

Safe Harbor Statement

FORWARD-LOOKING STATEMENTS: Some statements in this presentation, as well as in other materials we file with the Securities and Exchange Commission (SEC), release to the public, or make available on our website, constitute forward-looking statements that are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements in the future tense and all statements accompanied by words such as “expect,” “likely,” “outlook,” “forecast,” “preliminary,” “would,” “could,” “should,” “position,” “will,” “project,” “intend,” “plan,” “on track,” “anticipate,” “to come,” “may,” “possible,” “assume,” or similar expressions are intended to identify such forward-looking statements. These forward-looking statements include our view of business and economic trends for the remainder of the year and our expectations regarding our ability to capitalize on these business and economic trends and to execute our strategic priorities, and the updated full-year 2022 financial guidance provided. Senior officers may also make verbal statements to analysts, investors, the media and others that are forward-looking. We caution you that all forward-looking statements involve risks and uncertainties, and while we believe that our expectations for the future are reasonable in view of currently available information, you are cautioned not to place undue reliance on our forward-looking statements. Actual results or events may differ materially from those indicated as a result of various important factors. Such factors may include, among other things, changes in general economic conditions, including unemployment, inflation (including the impact of tariffs) or deflation and geopolitical conflicts such as the conflict between Russia and Ukraine; volatility in oil prices; significant cost increases, such as rising fuel and freight expenses; the extent and duration of the disruption to our business operations caused by the global health crisis associated with the COVID-19 pandemic, including the effects on the financial health of our business partners and customers, on supply chains and our suppliers, on vehicle miles driven as well as other metrics that affect our business, and on access to capital and liquidity provided by the financial and capital markets; our ability to maintain compliance with our debt covenants; our ability to successfully integrate acquired businesses into our operations and to realize the anticipated synergies and benefits; our ability to successfully implement our business initiatives in our two business segments; slowing demand for our products; the ability to maintain favorable supplier arrangements and relationships; changes in national and international legislation or government regulations or policies, including changes to import tariffs, environmental and social policy, infrastructure programs and privacy legislation, and their impact to us, our suppliers and customers; changes in tax policies; volatile exchange rates; our ability to successfully attract and retain employees in the current labor market; uncertain credit markets and other macroeconomic conditions; competitive product, service and pricing pressures; failure or weakness in our disclosure controls and procedures and internal controls over financial reporting, including as a result of the work from home environment; the uncertainties and costs of litigation; disruptions caused by a failure or breach of our information systems, as well as other risks and uncertainties discussed in our 2021 Annual Report on Form 10-K and Item 1A, Risk Factors, in our report on Form10-Q for the quarters ended March 31, 2022 and June 30, 2022 (all of which may be amplified by the COVID-19 pandemic and geopolitical conflicts, such as the current conflict between Russia and Ukraine) and from time to time in our subsequent filings with the SEC. Forward-looking statements speak only as of the date they are made, and we undertake no duty to update any forward-looking statements except as required by law. You are advised, however, to review any further disclosures we make on related subjects in our subsequent Forms 10-K, 10-Q, 8-K and other reports filed with the SEC.

NON-GAAP MEASURES: This presentation contains adjusted net income, adjusted diluted earnings per share, adjusted EBIT and adjusted EBITDA, adjusted operating expenses, adjusted tax rate, segment profit and free cash flow, which are financial measures that are not derived in accordance with United States generally accepted accounting principles ("GAAP"). The Company considers these non-GAAP measures useful to investors because they provide greater transparency into management’s view and assessment of the Company’s core operating performance. These measures are widely used by analysts, investors and competitors in our industry, although our calculation of the measure may not be comparable to similar measures disclosed by other companies, because not all companies and analysts calculate these measures in the same manner. The Company does not, nor does it suggest investors should, consider non-GAAP financial measures superior to, in isolation from, or as a substitute for, GAAP financial information. The Company has included reconciliations of this additional information to the most comparable GAAP measure in the appendix of this presentation.

Paul Donahue

Chairman & CEO

Key Messages

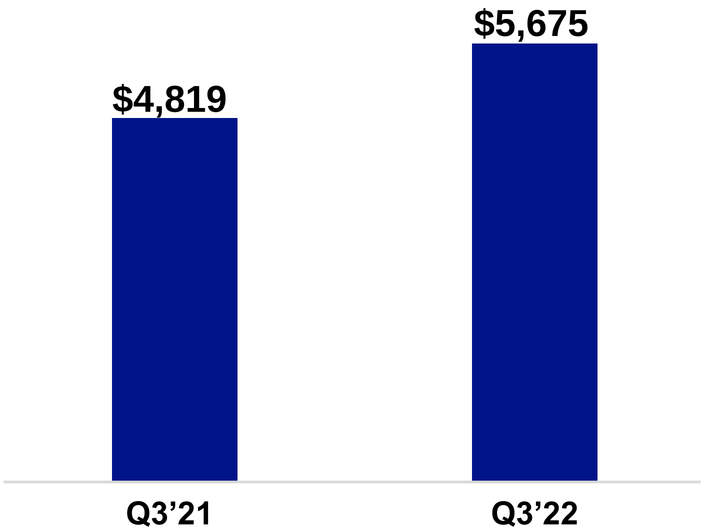
- ✓ The GPC team had **record results**, consisting of **double-digit sales and earnings growth**
- ✓ Operations are benefiting from execution of strategies, **continued resilience of our Automotive and Industrial businesses** and strategic mix of our operations
- ✓ We are **extremely proud of our 53,000 talented GPC teammates** who are at the core of our success

Strategic Initiatives and Focused Team Execution Delivering Results

Q3’22 Performance Highlights

Total Sales
+17.8%

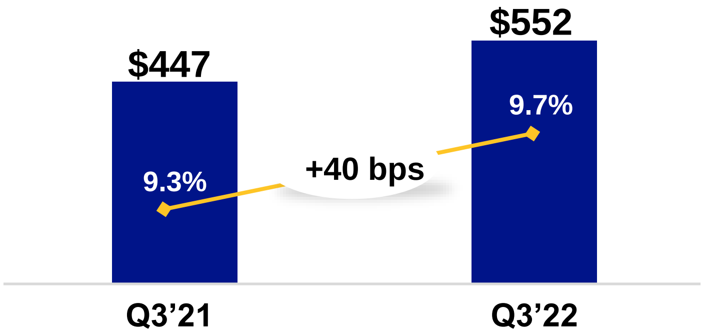
($M)



- Record quarterly sales for the Automotive and Industrial segments
- 6th consecutive quarter of double-digit sales growth

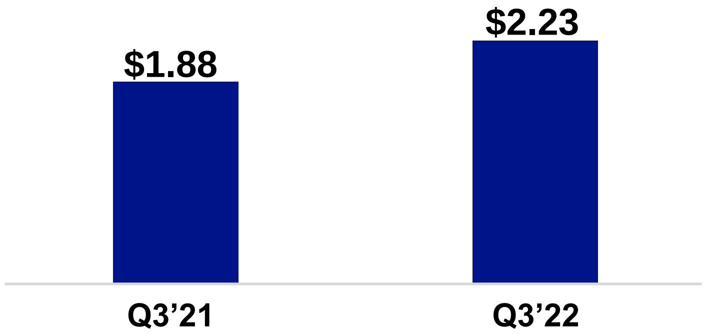
Segment Profit
+23.5%

($M)



- Segment operating margin expansion in both segments and for GPC overall

Adjusted Diluted EPS[1]
+18.6%



- Record quarterly earnings and double-digit adjusted EPS growth for the 9th consecutive quarter
- GAAP EPS $2.20, up 38%

Strong Financial Performance, Balance Sheet and Cash Flow

[1]See Appendix D

Performance Drivers

Strategic Initiatives	Industry Tailwinds	M&A Strategy

Strategic Initiatives

- **Advancing technology** across our operations
- Optimizing **inventory availability**
- Enhancing **network productivity**
- Maximizing the effectiveness of our **pricing strategies**

Industry Tailwinds

Automotive:

- Increase in year-to-date miles driven and the average age of vehicles
- Limited new car inventory and elevated used car prices
- Strength in the DIFM segment

Industrial

- PMI holding greater than 50 for the 28th consecutive month
- Industrial Production showed gains again in the third quarter
  - 9th consecutive quarter of growth

M&A Strategy

- Strategic **bolt-on acquisitions**
  - Small automotive store groups
- **Acquisition of KDG**
  - Positive impact on our overall Industrial operations
  - Ongoing integration creating significant value
- M&A remains an important part of our **global growth strategy**

2022 Sustainability Report

Environmental

Reducing carbon emissions

Social

Improving diversity, equity and inclusion

Governance

Enhancing ESG governance

Click here to access the report and learn more about GPC's progress in these areas.

Will Stengel

President

Foundational Priorities for Investing in Our Business

Talent & Culture

- **Recognize** high potential **talent**, **infuse new capabilities** into the organization and **recruit diverse talent**

Sales Effectiveness

- **Utilize data and analytics** to **understand our unique customer segments** and **drive increasing mix of traditional selling and digital strategies**

Technology

- Enhance **data and digital** capabilities to deliver a **best-in-class customer experience** and **profitable growth** while **investing in foundational digital elements**

Supply Chain

- Ensure we have the **"right" product** available in the **"right" market** at the **"right" time** through continuous improvements in **inventory, facility productivity, logistics and technology**

Emerging Technology

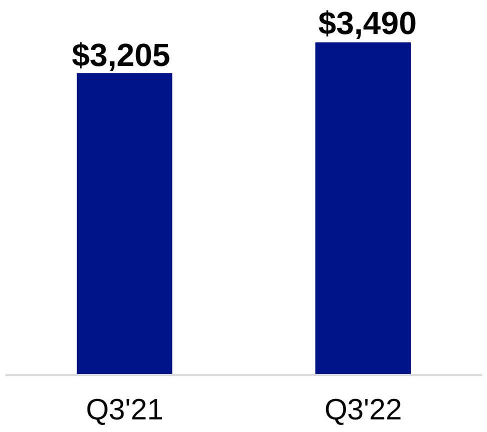
- Aspire to **lead in emerging technologies**, leveraging our unique positioning, global scale and One GPC team approach

M&A

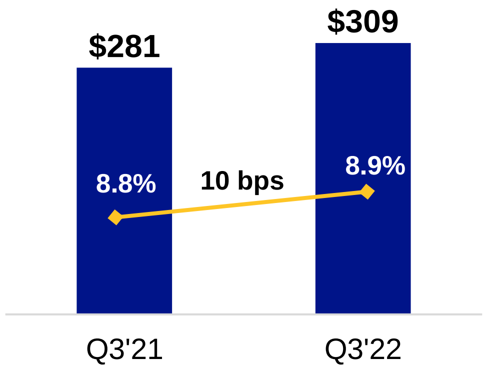
- **Strategic bolt-on acquisitions** remain a key part of our GPC growth strategy
- **Acquisition pipeline** remains active and actionable
- **Continue to refine our processes** to move faster, be disciplined and create value

Q3'22 Automotive Performance

Sales
+8.9%
($M)



Segment Profit[2]
+10.0%
($M)



Automotive Highlights

- **Total sales +8.9%**
  - +9.2% comp sales[1] increase
- MSD to Mid-teens comp sales[1] across all operations
- Relatively consistent sales growth throughout the quarter
- Positive DIFM and DIY growth with notable strength in DIFM
- Sales growth a function of strategic initiatives, strong demand and inflation
- **+90 bp margin improvement versus Q3'19**

North America

- **Total U.S. Sales +11%**
  - +8% comp sales[1]
- Sales growth with both DIFM and DIY sales
  - Steady strength across commercial accounts
  - B2C digital investments driving sustained retail growth
- Hosted first ever **EV Day**
- **Total Canadian Sales +15%[3]**
  - +13% comp sales[1]

Europe

- **Total European Sales +21%[3]**
  - +7% comp sales[1]
- Sales growth across all European markets
- Initiative highlights include new account expansion, continued NAPA rollout across the region and technology and supply chain investments
- Positive momentum provided by the addition of Lausan (Spain/Portugal) and Knoll (Germany) acquired earlier this year

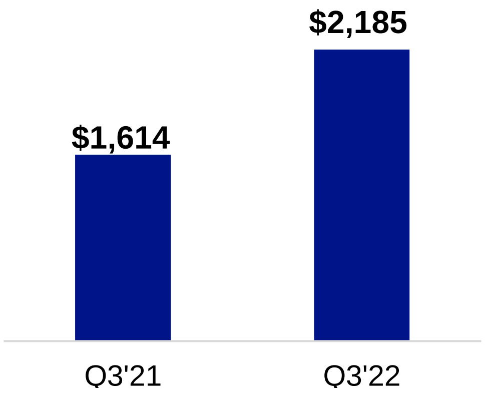
Australasia

- **Total Australasian Sales +16%[3]**
  - +14% comp sales[1]
- Growth driven by strong execution of complementary customer value propositions and robust demand
- **Celebrating Repco's 100-year anniversary in Q4'22**
  - Leading automotive aftermarket retailer in Asia-Pac

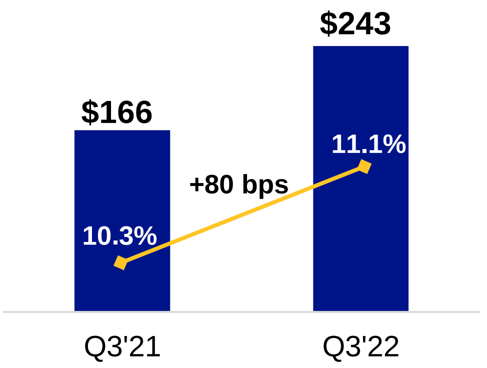
Note: All comparisons are YoY unless otherwise stated. [1]See Appendix B [2]See Appendix C [3]In Local Currency

Q3’22 Industrial Performance

Sales
+35.3%
($M)



Segment Profit[2]
+46.3%
($M)



Industrial Highlights

- **Total sales +35.3%**
  - 19.6% comp sales[1] increase, **6th consecutive quarter of double-digit comps**
  - Strong performance at KDG creating added momentum
- Strengthening core growth due to execution of growth initiatives
  - **Record profit margin and the 9th consecutive quarter of margin expansion**
  - **+300 bps margin improvement versus Q3’19**

North America and Australasia

- Sales cadence was consistently strong throughout the quarter
- **Double-digit sales growth across virtually all product categories and major industries served**
- Continuing expansion of value-add businesses
  - **Focus areas: Automation, Conveyance, Fluid Power and Repairs**
- Initiative highlights contributing to the strong performance include:
  - Sales programs to capture profitable share of wallet with target accounts
  - **Data-driven strategic pricing and sourcing programs**
  - **Technology investments to enhance the omnichannel experience**
  - Inventory, productivity and footprint optimization
- **KDG integration surpassing our expectations**
  - Executing well-defined plans with customers, suppliers, and teammates to deliver growth and create value as a combined business
  - All major workstreams at or ahead of plan
  - Excited for the growth opportunities as **One Motion Team**

Note: All comparisons are YoY unless otherwise stated. [1]See Appendix B [2]See Appendix C

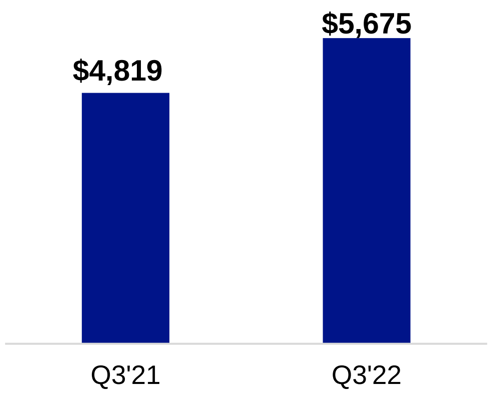
Bert Nappier

EVP & CFO

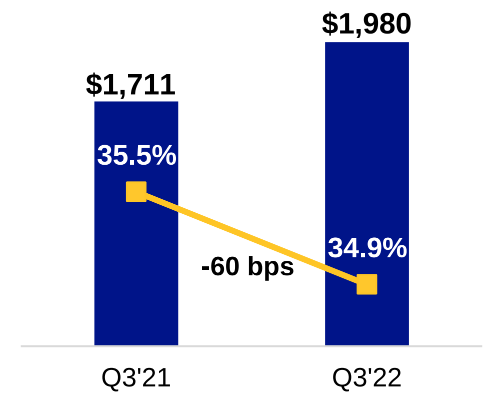
Q3’22 Financial Results

($M, except per share data)

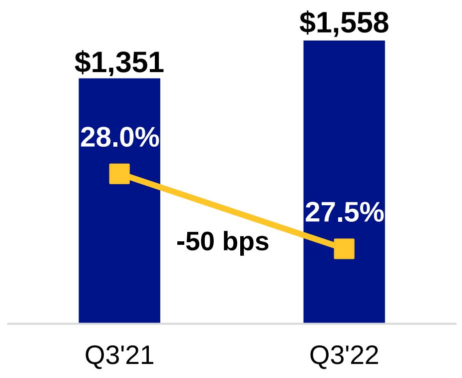
Sales
+17.8%



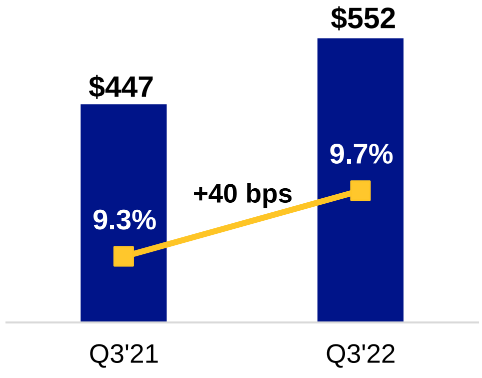
Gross Profit
+15.7%



Adj Op/Non-Op Expenses[1]
+15.4%



Segment Profit[3]
+23.5%



Adj Diluted EPS[1]
+18.6%

- **+13% comp sales[2]**
  - Execution of sales initiatives
  - Strong demand
  - Benefit from product pricing
    - MSD inflation rate
- +9.1% from acquisitions
  - Various strategic automotive store groups across geographies
  - Kaman acquisition in Industrial
- -4.0% FX/Other

- Impacted by supplier incentives, foreign currency and business mix shift related to the strength of our Industrial segment
- Headwinds partially offset by:
  - Strong performance in our core operations
  - Strategic category mgmt. initiatives
  - Pricing initiatives
- Expect full year 2022 gross margin to be down slightly from 2021

- **Leveraging expenses and operating well in a challenging environment**
  - Ongoing focus on controlling costs
  - Greater automation/efficiencies
  - Facility consolidations to optimize network
- Increase in variable costs related to $856M sales growth

- **+170 bp margin improvement versus Q3’19**
  - Result of our transformation to a **stronger, more agile company**
- Streamlined operations
- Enhanced pricing and sourcing capabilities
- Generated significant cost savings to lower our cost structure

- **9th consecutive quarter of double-digit EPS growth**
- Reported earnings per diluted share
  - $2.20 in Q3’22
  - $1.59 in Q3’21
- Adj tax rate[1] 24.7% compared to a rate of 24.9% in Q3’21
- Reported tax rate
  - 25.3% in Q3’22
  - 23.5% in Q3’21

Note: All comparisons are YoY unless otherwise stated [1]Adjusted op / non-op expenses, adjusted diluted EPS and adjusted tax rate exclude certain items that the Company believes are not representative of our continuing operations and impact comparability. These amounts are non-GAAP measures (See Appendix D) [2]See Appendix B for definition [3]See Appendix C

Strong Balance Sheet and Robust Cash Generation

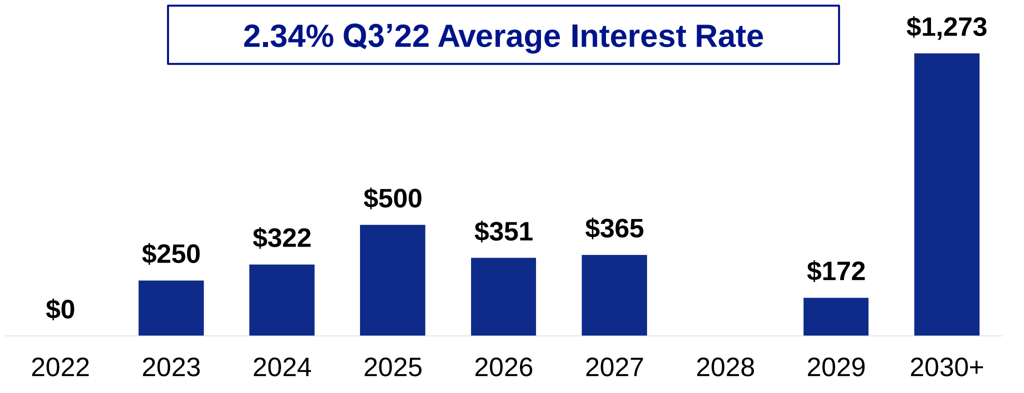
Balance Sheet Highlights[1]	($B)
Cash / Cash Equivalents	$0.6
Accounts Receivable	$2.2
Inventory	$4.3
Total Assets	**$16.4**
Accounts Payable	$5.5
Total Debt	$3.2
Total Liabilities	**$12.7**
Working Capital[2]	$1.3

Liquidity Profile[1]	($B)
Total Credit Capacity[3]	$4.7
Less Total Debt:	($3.2)
Unused Credit Capacity	$1.5
Cash	$0.6
Total Available Liquidity	**$2.1**

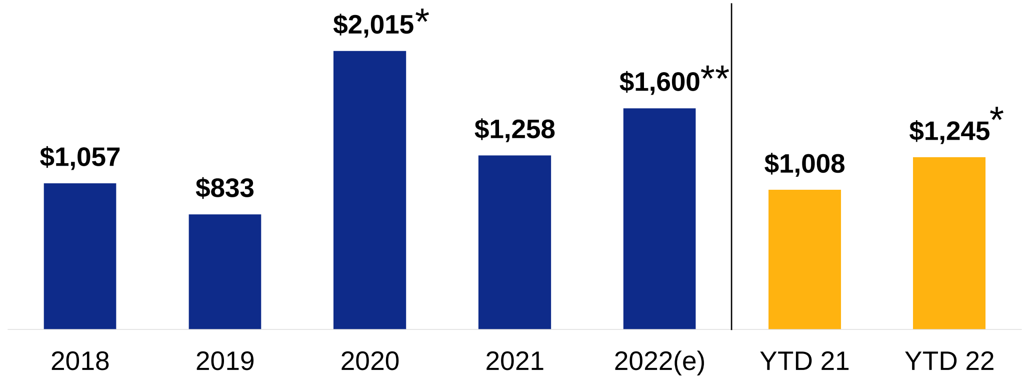
Total debt to adj EBITDA (TTM)[4] 1.7x

- **Changes in key working capital accounts in-line with sales growth**
- **Steady debt position and favorable financial arrangements** supporting our investment grade rating
- **Total debt to TTM adjusted EBITDA[4] was 1.7x on September 30, 2022,** versus our targeted range of 2.0 to 2.5 times
- **Continued strong cash flow** to support growth initiatives and effective allocation of capital

Debt Maturity Schedule[1] ($M)



Cash Flow from Operations ($M)

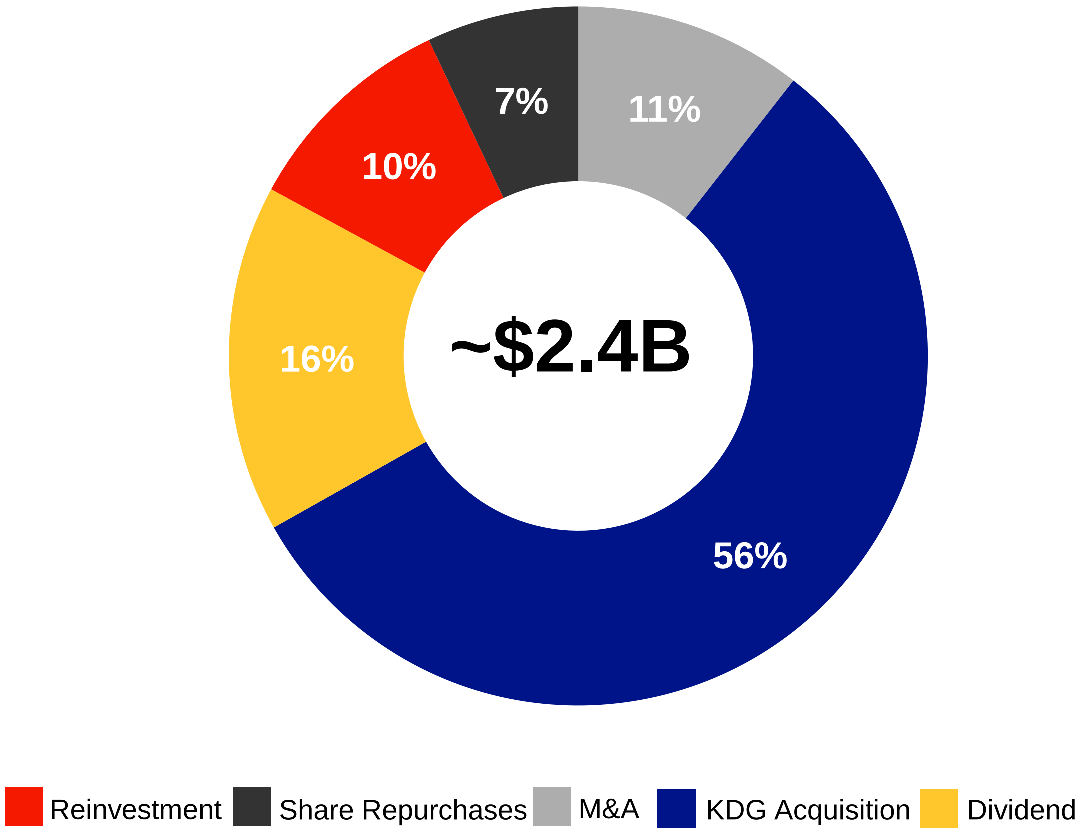


* Includes benefit of A/R sales agreement
** Represents midpoint of the outlook provided on October 20, 2022 (pg 17)

[1]As of 9/30/2022; [2]Working capital is defined as current assets less current liabilities [3]Total credit capacity represents total committed capacity under the revolving credit facility plus the amount of all other debt outstanding [4]These amounts are non-GAAP measures (See Appendix D)

Effective Capital Allocation

YTD 2022 Capital Deployment



Key Priorities

Reinvestment

- $244M CapEx YTD
- Projecting 2022 spend of ~$350M

Share Repurchases

- $50M spend for ~333K shares in Q3; $173M spend for ~1.3M shares YTD
- Plans for additional share buy-backs

M&A / KDG Acquisition

- $1.6B YTD, including $1.3B for KDG acquisition
- Targeting additional bolt-on acquisitions for 2022

Dividend

- 2022 cash dividend of $3.58 per share, +10% from 2021
  - 66th consecutive year of increased dividends paid to our shareholders
  - $369M YTD spend

2022 Outlook[1]

	Current	Previous
Total Sales Growth	**15% to 16%**	12% to 14%
• Automotive	7% to 8%	6% to 8%
• Industrial	31% to 32%	26% to 28%
Diluted EPS	$8.29 to $8.39	$8.08 to $8.23
Adjusted Diluted EPS	**$8.05 to $8.15**	$7.80 to $7.95
Adjusted EPS Growth	16% to 18%	13% to 15%
Cash from Operations	**$1.5B to $1.7B**	$1.5B to $1.7B
Free Cash Flow[2]	$1.2B to $1.4B	$1.2B to $1.4B

Full year growth rates and EPS assume ~3.5% FX headwind.

OTHER ASSUMPTIONS

- Corporate expenses ~$250M
- Capex ~$350M
- Depreciation and amortization ~$350M
- Interest expense ~$80M
- Tax rate ~25%

[1]Our guidance considers several factors, including the continued uncertainty related to the COVID-19 pandemic and its potential impact on our results. We will update full-year guidance during 2022, as appropriate. [2]These amounts are non-GAAP measures (See Appendix D)

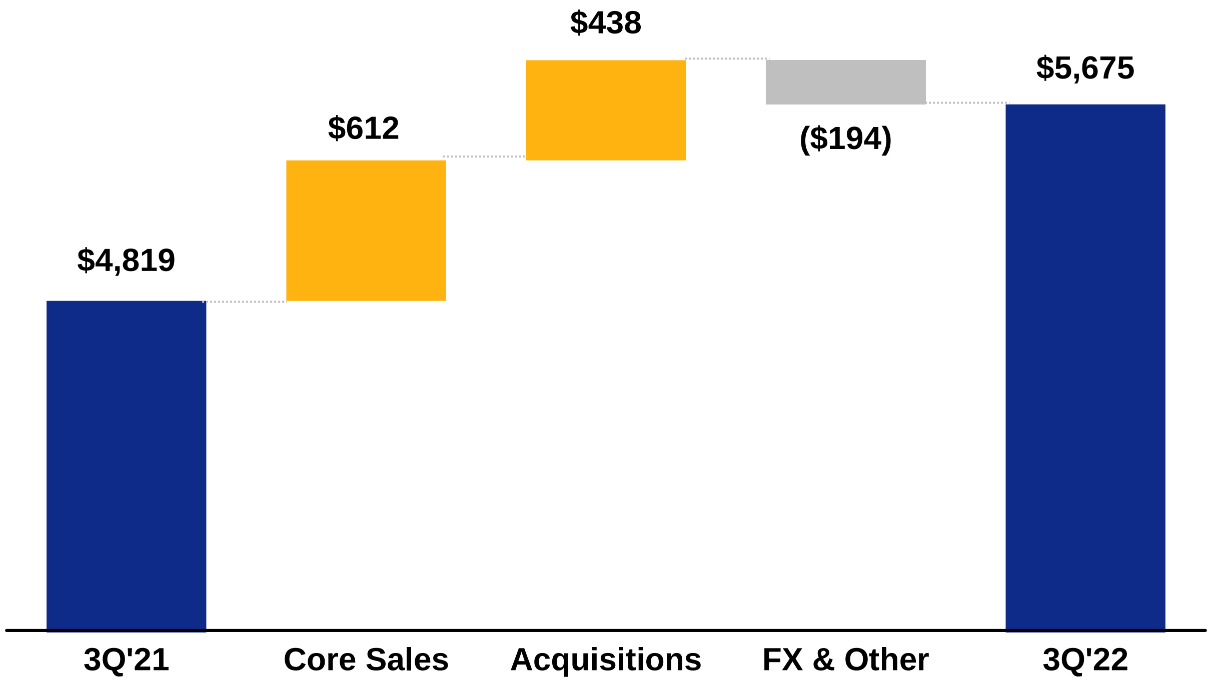
Q&A

Appendix

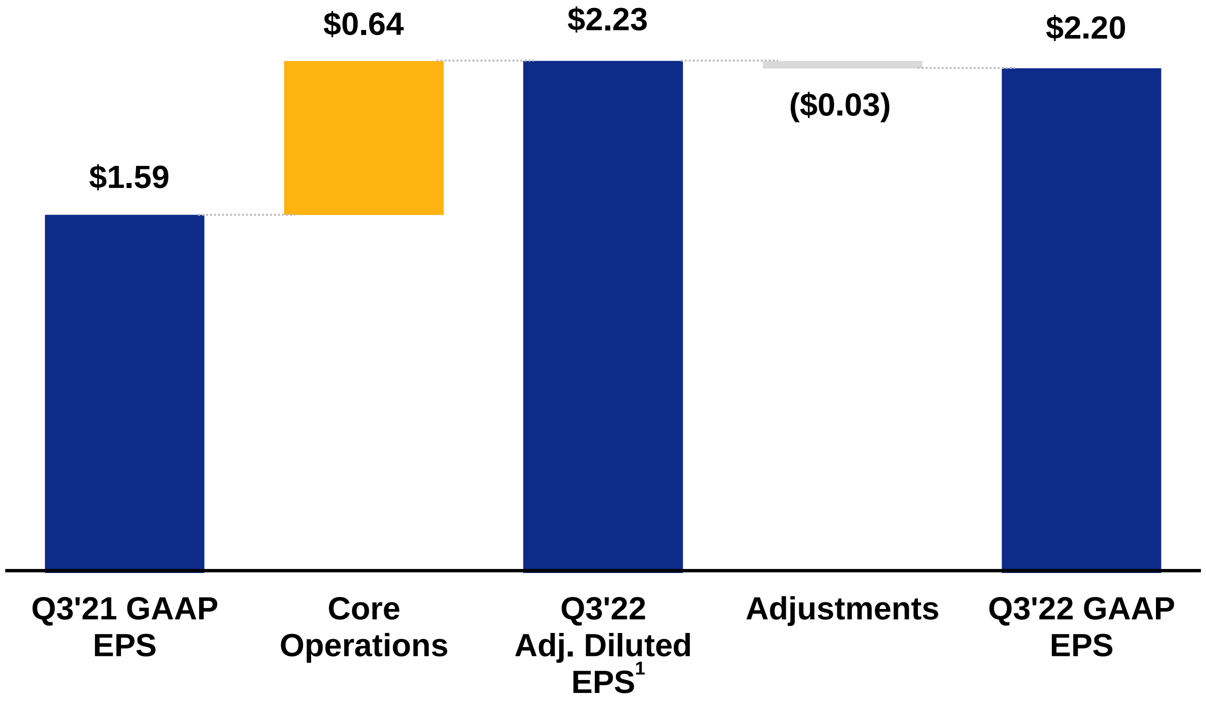
Consolidated Net Sales and Adj Diluted EPS Bridge

Appendix A

Net Sales ($M)



Adj Diluted Earnings Per Share[1]



[1]See Appendix D

Other Information

Comparable Sales: Comparable sales or “comp sales” refer to period-over-period comparisons of our sales excluding the impact of acquisitions, divestitures and foreign currency. The Company considers this metric useful to investors because it provides greater transparency into management’s view and assessment of the Company’s core ongoing operations. This metric is widely used by analysts, investors and competitors in our industry, although our calculation of the metric may not be comparable to similar measures disclosed by other companies, because not all companies and analysts calculate this metric in the same manner.

Daily Sales: Daily sales represents the amounts invoiced to the Company's customers each day. Daily sales do not represent GAAP-based sales because, among other things, invoices are not always generated at the same time goods and services are delivered to customers and the amounts do not include adjustments for estimates of returns, rebates or other forms of variable consideration. Management uses this metric to monitor demand trends at each of its subsidiaries throughout each month for the purposes of monitoring performance against forecasts and to make operational decisions. The Company considers this metric useful to investors because it provides greater transparency into management’s view and assessment of the Company’s core ongoing operations. The calculation of this metric may not be comparable to similar measures disclosed by other companies, because not all companies and analysts calculate this metric in the same manner.

Segment Data

Appendix C

(in thousands)	2022 TTM Q3	2022 Q1	2022 Q2	2022 Q3	2021 Q1	2021 Q2	2021 Q3	2021 Q4
Net sales:								
Automotive	$ 13,423,710	$ 3,275,621	$ 3,467,494	$ 3,490,462	$ 2,953,165	$ 3,196,299	$ 3,204,534	$ 3,190,133
Industrial	7,951,822	2,019,014	2,134,920	2,184,812	1,511,549	1,587,439	1,614,315	1,613,076
Total net sales	21,375,532	5,294,635	5,602,414	5,675,274	4,464,714	4,783,738	4,818,849	4,803,209
Segment profit:								
Automotive	1,162,316	264,573	322,553	309,349	235,678	290,758	281,150	265,841
Industrial	810,103	188,353	225,472	242,505	125,292	150,413	165,754	153,773
Total segment profit	1,972,419	452,926	548,025	551,854	360,970	441,171	446,904	419,614
Interest expense, net	(72,615)	(19,850)	(20,248)	(18,220)	(18,324)	(15,362)	(14,167)	(14,297)
Intangible asset amortization	(143,774)	(39,694)	(39,630)	(39,416)	(25,544)	(27,384)	(25,311)	(25,034)
Corporate expense	(232,696)	(41,751)	(73,312)	(72,820)	(31,243)	(51,397)	(47,389)	(44,813)
Other unallocated costs	57,791	(25,915)	76,732	(3,462)	—	(77,421)	(61,063)	10,436
Income before income taxes	1,581,125	325,716	491,567	417,936	285,859	269,607	298,974	345,906
Income taxes	(394,401)	(79,878)	(119,038)	(105,578)	(68,149)	(73,111)	(70,389)	(89,907)
Net income	$ 1,186,724	$ 245,838	$ 372,529	$ 312,358	$ 217,710	$ 196,496	$ 228,585	$ 255,999
Segment profit margin:								
Automotive	8.7%	8.1%	9.3%	8.9%	8.0%	9.1%	8.8%	8.3%
Industrial	10.2%	9.3%	10.6%	11.1%	8.3%	9.5%	10.3%	9.5%
Total segment profit margin	9.2%	8.6%	9.8%	9.7%	8.1%	9.2%	9.3%	8.7%

Explanation of Adjustments

Appendix D

(1) **Loss on software disposal:** Adjustment reflects a loss on an internally developed software project that was disposed of due to a change in management strategy related to advances in alternative technologies.

(2) **Product liability damages award:** Adjustment reflects damages reinstated by the Washington Supreme Court order on July 8, 2021 in connection with a 2017 automotive product liability claim.

(3) **Gain on insurance proceeds:** Adjustment reflects insurance recoveries in excess of losses incurred on inventory, property, plant and equipment and other fire-related costs.

(4) **Gain on equity investment:** Adjustment relates to gains recognized upon remeasurement of certain equity investments to fair value upon acquiring the remaining equity of those entities.

(5) **Gain on sale of real estate:** Adjustment reflects a gain on the sale of real estate that had been leased to S.P. Richards.

(6) **Transaction and Other Costs:** Adjustment primarily reflects costs associated with the January 3, 2022 acquisition and integration of KDG. These costs also include a $17 million impairment charge driven by a decision to retire certain legacy trade names, classified as other intangible assets, prior to the end of their estimated useful lives as part of executing our KDG integration and rebranding strategy.

Reconciliation of Non-GAAP Financial Measures

Appendix D

Adjusted Net Income

(in thousands)	2022 TTM Q3	2022 Q1	2022 Q2	2022 Q3	2021 Q1	2021 Q2	2021 Q3	2021 Q4
GAAP net income	$ 1,186,724	$ 245,838	$ 372,529	$ 312,358	$ 217,710	$ 196,496	$ 228,585	$ 255,999
Adjustments:								
Loss on software disposal (1)	—	—	—	—	—	—	61,063	—
Product liability damages award (2)	—	—	—	—	—	77,421	—	—
Gain on insurance proceeds (3)	(5,369)	(634)	(873)	—	—	—	—	(3,862)
Gain on equity investment (4)	(10,229)	—	—	—	—	—	—	(10,229)
Gain on sale of real estate (5)	(102,803)	—	(102,803)		—	—	—	—
Transaction and other costs (6)	60,610	26,549	26,944	3,462	—	—	—	3,655
Total adjustments	(57,791)	25,915	(76,732)	3,462	—	77,421	61,063	(10,436)
Tax impact of adjustments	23,313	(6,103)	17,291	1,464	—	(21,322)	(19,167)	10,661
Adjusted net income	$ 1,152,246	$ 265,650	$ 313,088	$ 317,284	$ 217,710	$ 252,595	$ 270,481	$ 256,224

(in thousands, except per share data)	2022 TTM Q3	2022 Q1	2022 Q2	2022 Q3	2021 Q1	2021 Q2	2021 Q3	2021 Q4
Diluted earnings per share	$ 8.35	$ 1.72	$ 2.62	$ 2.20	$ 1.50	$ 1.36	$ 1.59	$ 1.79
Adjustments:								
Loss on software disposal (1)	—	—	—	—	—	—	0.42	—
Product liability damages award (2)	—	—	—	—	—	0.53	—	—
Gain on insurance proceeds (3)	(0.04)	(0.01)	(0.01)	—	—	—	—	(0.03)
Gain on equity investment (4)	(0.07)	—	—	—	—	—	—	(0.07)
Gain on sale of real estate (5)	(0.72)	—	(0.72)	—	—	—	—	—
Transaction and other costs (6)	0.43	0.19	0.19	0.02	—	—	—	0.03
Total adjustments	(0.40)	0.18	(0.54)	0.02	—	0.53	0.42	(0.07)
Tax impact of adjustments	0.16	(0.04)	0.12	0.01	—	(0.15)	(0.13)	0.07
Adjusted diluted earnings per share	$ 8.11	$ 1.86	$ 2.20	$ 2.23	$ 1.50	$ 1.74	$ 1.88	$ 1.79
Weighted average common shares outstanding — assuming dilution	142,109	142,842	142,304	142,109	145,300	144,983	143,589	143,053

Refer to Explanation of Adjustments for further information

Reconciliation of Non-GAAP Financial Measures (Cont.) Appendix D

Adjusted EBIT and Adjusted EBITDA

	2022	2022			2021			
(in thousands)	TTM Q3	Q1	Q2	Q3	Q1	Q2	Q3	Q4
GAAP net income	$ 1,186,724	$ 245,838	$ 372,529	$ 312,358	$ 217,710	$ 196,496	$ 228,585	$ 255,999
Interest expense, net	72,615	19,850	20,248	18,220	18,324	15,362	14,167	14,297
Income taxes	394,401	79,878	119,038	105,578	68,149	73,111	70,389	89,907
EBIT	1,653,740	345,566	511,815	436,156	304,183	284,969	313,141	360,203
Loss on software disposal (1)	—	—	—	—	—	—	61,063	—
Product liability damages award (2)	—	—	—	—	—	77,421	—	—
Gain on insurance proceeds (3)	(5,369)	(634)	(873)	—	—	—	—	(3,862)
Gain on equity investment (4)	(10,229)	—	—	—	—	—	—	(10,229)
Gain on sale of real estate (5)	(102,803)	—	(102,803)	—	—	—	—	—
Transaction and other costs (6)	60,610	26,549	26,944	3,462	—	—	—	3,655
Adjusted EBIT	$ 1,595,949	$ 371,481	$ 435,083	$ 439,618	$ 304,183	$ 362,390	$ 374,204	$ 349,767

	2022	2022			2021			
(in thousands)	TTM Q3	Q1	Q2	Q3	Q1	Q2	Q3	Q4
GAAP net income	$ 1,186,724	$ 245,838	$ 372,529	$ 312,358	$ 217,710	$ 196,496	$ 228,585	$ 255,999
Depreciation and amortization	332,416	87,369	85,890	86,563	72,296	73,960	72,121	72,594
Interest expense, net	72,615	19,850	20,248	18,220	18,324	15,362	14,167	14,297
Income taxes	394,401	79,878	119,038	105,578	68,149	73,111	70,389	89,907
EBITDA	1,986,156	432,935	597,705	522,719	376,479	358,929	385,262	432,797
Loss on software disposal (1)	—	—	—	—	—	—	61,063	—
Product liability damages award (2)	—	—	—	—	—	77,421	—	—
Gain on insurance proceeds (3)	(5,369)	(634)	(873)	—	—	—	—	(3,862)
Gain on equity investment (4)	(10,229)	—	—	—	—	—	—	(10,229)
Gain on sale of real estate (5)	(102,803)	—	(102,803)	—	—	—	—	—
Transaction and other costs (6)	60,610	26,549	26,944	3,462	—	—	—	3,655
Adjusted EBITDA	$ 1,928,365	$ 458,850	$ 520,973	$ 526,181	$ 376,479	$ 436,350	$ 446,325	$ 422,361

Refer to Explanation of Adjustments for further information

Reconciliation of Non-GAAP Financial Measures

Adjusted Operating and Non-Operating Expenses

	Three Months Ended September 20,		QTD Change	
(in thousands)	2022	2021	$ Change	% Change
GAAP operating and non-operating expenses	$ 1,561,731	$ 1,411,793	$ 149,938	10.6%
Adjustments:				
Loss on software disposal (1)	—	(61,063)	61,063	(100.0)%
Transaction and other costs (6)	(3,462)	—	(3,462)	100.0%
Less: Total Adjustments	(3,462)	(61,063)	57,601	
Adjusted operating and non-operating expenses	$ 1,558,269	$ 1,350,730	$ 207,539	15.4%
Adjusted operating and non-operating expenses as a percent of GAAP net sales	27.5%	28.0%		(50) bps

Adjusted Tax Rate

	Three Months Ended September 30,	
(in thousands)	2022	2021
GAAP net income	$ 312,358	$ 228,585
Adjustments:		
Loss on software disposal (1)	—	61,063
Transaction and other costs (6)	3,462	—
Total adjustments	3,462	61,063
Tax impact of adjustments	1,464	(19,167)
Adjusted net income	$ 317,284	$ 270,481

Refer to Explanation of Adjustments for further information

Reconciliation of Non-GAAP Financial Measures (Cont.)

Appendix D

Free Cash Flow

(in thousands)	TTM Ended September 30, 2022
Net cash provided by operating activities	$ 1,494,680
Less: Purchases of property, plant and equipment	(371,928)
Free Cash Flow	$ 1,122,752

	Updated Outlook Year Ended December 31, 2022
Net cash provided by operating activities from continuing operations	$1.5 billion to $1.7 billion
Purchases of property, plant and equipment	Approx. $350 million
Free Cash Flow	$1.2 billion to $1.4 billion